



Arizona State Retirement System

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Special Notice

Defined Contribution System Plan 13th Check 2012

November 20, 2012

NOTE: *This message is for members of the ASRS Defined Contribution System, referred to below as the "System". The System was the original retirement plan when the ASRS was created in 1953. All ASRS members who began participation in the ASRS after July 1, 1976 are in the Defined Benefit Plan, and not the System.*

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Retired System members who have received a 13th check in the past will again receive a 13th check this year in the same amount as last year's check. Checks are scheduled to be mailed by mid December.

System benefits are based on the total contributions of the employee and employer, plus interest and supplemental credits in a participant's account at the time of retirement. The 13th check is based upon distributions of past excess returns.

The ASRS Board of Trustees, at its November 16, 2012 meeting, accepted the annual actuarial valuation of the System plan. The valuation, for the fiscal year ending June 30, 2012, showed that there are no excess funds to pay out an increase in 13th checks.

The System plan valuation is 83.3% funded as of June 30, 2012, down from 90.3% from the previous year. The decline is due primarily to a shrinking pool of System members and investment returns lower than the calculated 8% assumed rate of return.

As of June 30, 2012, there were 1,493 System members, including just 11 actively contributing members.